

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0106-01
Bill No.: HB 259
Subject: Credit and Bankruptcy; Insurance - General; Insurance Dept.
Type: Original
Date: February 7, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Insurance Dedicated	\$21,400	\$0	\$0
Total Estimated Net Effect on Other State Funds	\$21,400	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 3 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance (INS)** state those insurers that use credit scoring will be required to amend their policy forms to comply with the legislation. Policy amendments must be submitted to the INS along with a \$50 filing fee. There are 211 homeowner companies and 217 private passenger auto companies. The INS estimates one-time revenue to the Insurance Dedicated Fund to be \$21,400 (428 X \$50).

Additional staff and expenses are not being requested with this single proposal, but if multiple proposals pass during the legislative session which require policy form amendments and review, the department will need to request additional staff to handle the increase in workload.

This proposal will result in an increase in Total State Revenue.

FISCAL IMPACT - State Government

FY 2004
(10 Mo.)

FY 2005

FY 2006

INSURANCE DEDICATED FUND

HW-C:LR:OD (12/02)

Income - Department of Insurance

Policy form filing fees	<u>\$21,400</u>	<u>\$0</u>	<u>\$0</u>
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ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND	<u>\$21,400</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal may impact small insurance companies. The estimated net effect is unknown.

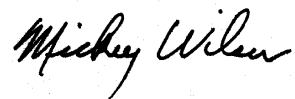
DESCRIPTION

This proposal expands the restrictions on the use of credit history by insurance companies so that the restrictions apply to all types of insurance. Current law limits the use of a person's credit history only in automobile insurance.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Insurance



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